

Servicing Center Update and Development Status



#### **Presenters**

- Dan Hayward, Director Direct Loan Servicing SFA Student Channel, Repayment
- Sue Szabo, Vice President AFSA Data Corp Direct Loan Servicing Center, Utica



### Agenda

- A Virtual Tour of Utica (DL Servicing Center)
- Trends and Statistics
- Development Update
  - Since the Last DL Conference
  - Year 2000-2001Software
  - Upcoming Efforts
- Current Issues with DL Servicing



### A Virtual Tour of Utica



## Borrowers - High Level Profile

- 97% borrower calls resolved with first inquiry
- Remaining 3% resolved within an average of 10 business days
- Why borrowers call .....
  - 21.8% Account Information
  - 29.7% Deferments & Forbearances
  - 31.5% Payment Inquiries
  - 3.5% Interest
  - 3.8% Update Borrower Information

# Schools - High Level Profile

- Provide Service to over 1200 Direct Loan Schools
- Provide Guidance to Non-Direct Schools
- Why Schools Call
  - 91% Delinquency Information
  - 6.7% Enrollment Verification
  - 1.1% Calls from other Contractors
  - 1.2% Requests for Defer. & Forb.



### Trends and Statistics

- 1998 vs. 1999 Volumes
- Processing Trends



### 1998 vs. 1999 Volumes

- Total Borrowers
  - **1998 3,756,193**
  - **1999 4,455,718**
- Loans Booked
  - **1998 12,940,845**
  - **1999 16,169,634**

♠ Percent Increase - 16%

↑ Percent Increase - 20%

- Repayment Borrowers ↑ Percent Increase 28%
  - 1998 1,863,795
  - **1999 2,574,702**



### 1998 vs. 1999 Volumes

- - 1998 \$34,888,617,584
  - 1999 \$47,348,946,507
- Average Delinquency
  - ◆ Percent Decrease 0.37%

- 1998 12.82%
- **1999 12.36%**
- ↑ Percent Increase 43% Payments Collected (#)
  - 1998 18,098,146
  - 1999 31,639,458
- Payments Collected (\$) ↑ Percent Increase 49%
  - 1998 \$3,038,905,316
  - 1999 \$5,985,690,817

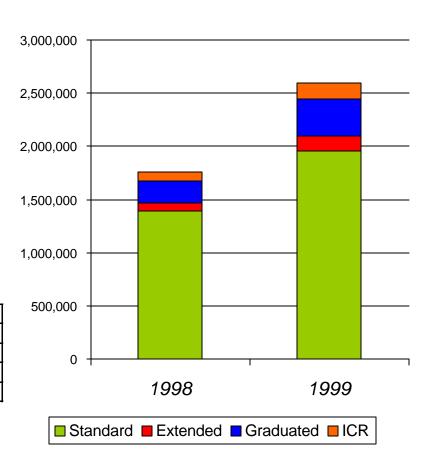


### Repayment Types

#### Repayment :

Borrowers may select from a variety of repayment options based on their ability to pay.

	1998	1999	Change	% Change
Standard	1,395,934	1,960,219	564,285	40%
Extended	72,128	134,653	62,525	87%
Graduated	209,383	346,401	137,018	65%
ICR	83,839	154,527	66,342	79%

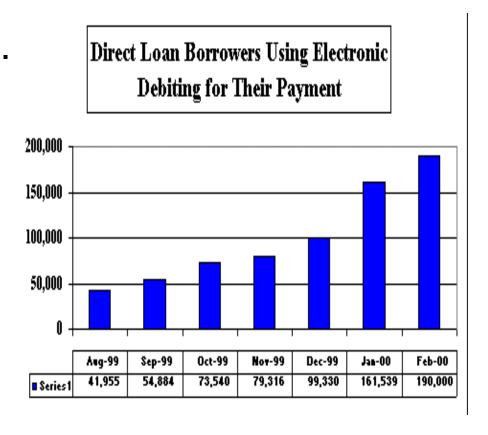




### Borrowers Using EDA

EDA:

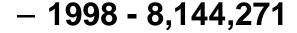
"Restarted" in June 1999. There were 15,000 EDA borrowers at that time. Since then, we've experienced tremendous growth to over 200,000 EDA borrowers. This represents nearly 10% of all repayment borrowers.





#### SSCR Volume

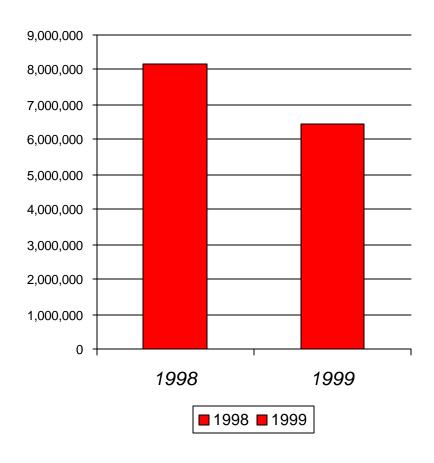
SSCR: A (S)tudent (S)tatus (C)onfirmation (R)eport is a request to confirm or change the borrower's enrollment status.



**- 1999 - 6,418,800** 

**Percent Decrease - 21%** 

Due to system efficiencies



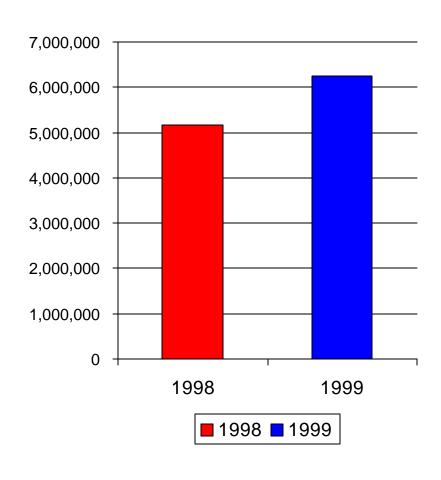


### Incoming Call Volume

#### Incoming calls:

Inquiries are received at the service centers in Utica NY and Bakersfield CA from 8:00 a.m. to 8:30 p.m. EST.

- **1998 5,160,496**
- **1999 6,241,378**
- ↑ Change 1,080,882



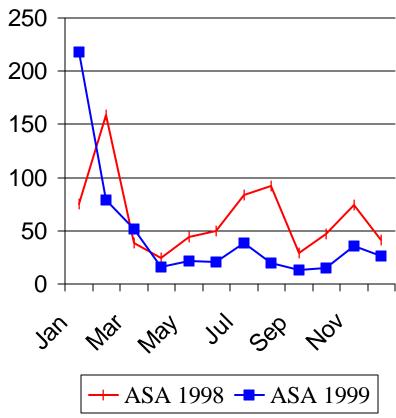


### Average Speed of Answer

#### Average Speed of Answer :

The average time a caller must wait until they speak with a representative.

- -1998 = 63 seconds
- -1999 = 46 seconds



◆ Change - 17 seconds



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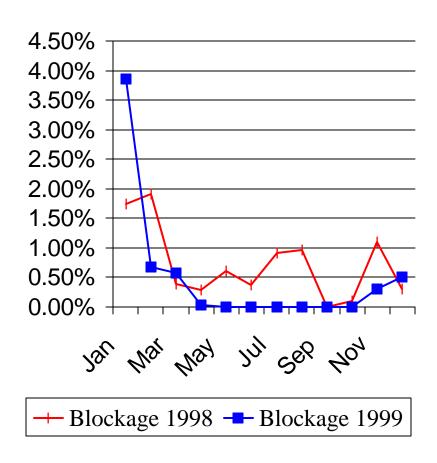
### **Blockage**

#### Blockage:

The average time as a percent of call hours when a borrower may get a busy signal.

- -1998 = .725%
- -1999 = .495%

◆ Change - .23%





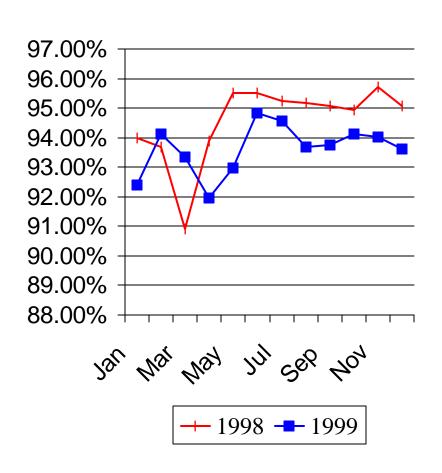
#### Call Content

#### Call Content:

The call content is the independently monitored quality of the information provided to the borrower.

- -1998 = 94.53%
- -1999 = 93.63%

◆ Change - .90%





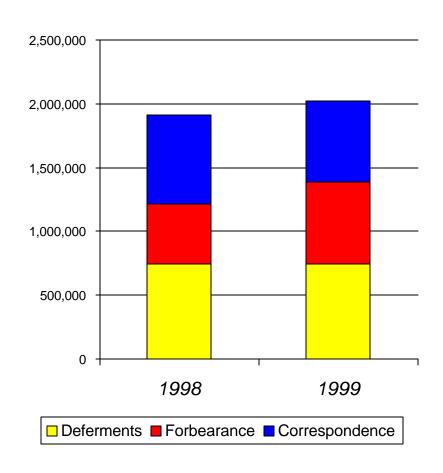
### **Processing Volumes**

#### Processing:

Review/application of borrower entitlements and responses to written borrower inquiries.

- **1998 1,906,666**
- **1999 2,021,822**

↑ Change -115,156





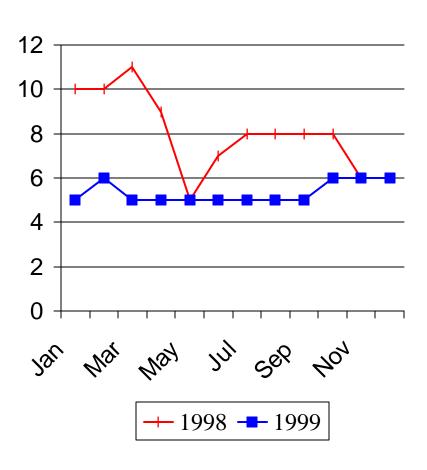
### **Processing Turnaround**

#### Processing Turnaround:

The average number of business days from the time borrower's request is received until it is processed.

- -1998 = 7.84 days
- -1999 = 5.10 days

◆ Change - 2.74 days





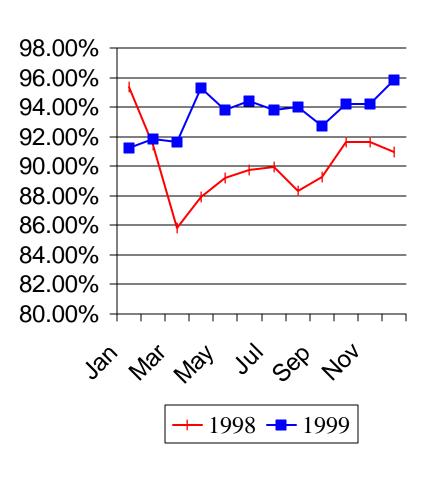
### **Processing Content**

Processing Content:

The processing content is the independently monitored quality of the information processed for the borrower.

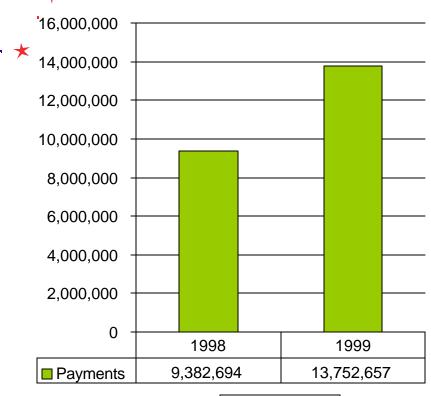
- -1998 = 90.10%
- -1999 = 93.59%

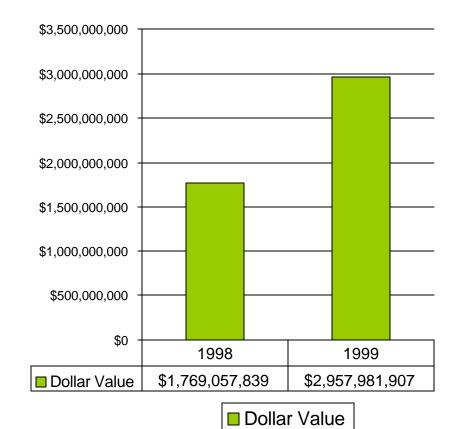
↑ Change - 3.49%





### **Payments**





↑Change - 4,369,963

■ Payments

↑Change - \$1,188,924,068



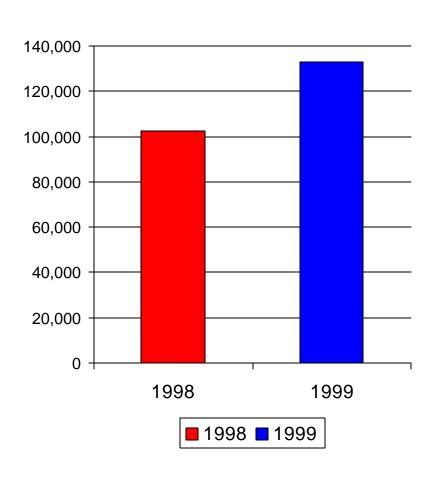
### **School Inquiries**

**School Inquiries:** 

Received at the service centers in Utica N.Y. from 8:00 a.m. to 8:30 p.m. EST.

- **1998 102,476**
- **1999 132,783**







- Since the 1999 DL Conference
  - Weighted Average Interest Rate
  - Express Refinance of 160,000 Borrowers
  - EDA Restart
  - EDA .25% Discount
  - Change Default from Day 181 to Day 270
  - Enhanced DL Servicer Web Site:
    - Exit Counseling and "Demo" Site
    - PIN Functionality
    - New Web release scheduled for March 2000



- Since the 1999 DL Conference continued
  - Clearinghouse Pilot Project Completed Now in Full Production
  - Improved Billing Processes
    - Billing Statement Coupon Redesigned
    - Window Envelopes and Postage Reduction Implemented
  - Automated Closed School Processing
  - Successful Y2K Transition



- Year 2000-2001 Software (February 2000)
  - Automatic Deferment Based on New Loan
  - Support 20 Disbursements
  - Support Disbursements "Out of Sequence"
  - Support MPN Multi-year Functionality
  - Support "Various" Origination Fees
  - Disbursement Confirmation to Schools
  - Streamlined Edits to Reduce Errors
    - Already reduced from 170,000 to <20,000</li>



**Upcoming Efforts** 

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- Web Enhancements in March
  - Interactive Deferment and Forbearance Determination
  - Pay Plan and Pay Cycle Changes
  - Address Changes
  - Enhanced Account History
    - Disbursement History
    - Payment History
  - Interactive Repayment Calculator
- Web Enhancements in "Near" Future
  - NSLDS "non-Direct" Data on Exit Counseling
  - Store Entrance and Exit Completion at NSLDS?
  - Customer Satisfaction Surveys



- Upcoming Efforts Continued
  - HEA Reauthorization Requirements
    - Enhanced Unemployment Deferment
    - Military Status (similar to In School Status)
    - Unpaid Refund Write-off
  - Streamline Consolidation Loan Processes
    - ICR Waiver Processing
    - Payoff Process



#### Direct Loan Servicing Center School Services

1-888-877-7658

Call between the hours of 8:00 a.m. and 8:30 p.m. EST, any weekday except Federal holidays.

